



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2013 REGULAR SESSION

HOUSE BILL NO. 431

TUESDAY, FEBRUARY 26, 2013

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED
DATE March 22, 2013
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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY L. Miller

1 AN ACT relating to tax increment financing.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 65.7043 is amended to read as follows:

4 The purposes of KRS 65.7041 to 65.7083 are as follows:

5 (1) KRS 65.7047 provides authority for cities and counties to establish local
6 development areas for the development of previously undeveloped land within their
7 jurisdictional boundaries and to devote local resources to support the development
8 of projects in those local development areas. Local development areas established
9 under KRS 65.7047 and projects within local development areas shall not be
10 eligible for participation by the Commonwealth; and

11 (2) (a) KRS 65.7049, 65.7051, and 65.7053 provide a framework for cities and
12 counties:

13 1. To establish development areas for:

14 a. The redevelopment of previously developed land within their
15 jurisdictional boundaries; and

16 b. The development of previously undeveloped land, if:

17 i. The project proposed for the development area includes an
18 arena as part of the proposed development;

19 ii. The project is a mixed-use development located in a
20 university research park;~~or~~

21 iii. The project is a mixed-use development located within
22 three (3) miles of a military base that houses, deploys, or
23 employs any combination of at least twenty-five thousand
24 (25,000) military personnel, their families, military retirees,
25 or civilian employees; or~~and~~

26 iv. The project is a mixed-use development which includes
27 either or both significant public storm water and sanitary

sewer facilities designed to comply with a community-wide
court decree mandating corrective action by the local
government or an agency thereof; and

2. To devote local resources to providing redevelopment assistance and supporting projects in those development areas.

(b) Projects within development areas established pursuant to KRS 65.7049, 65.7051, and 65.7053 shall be eligible for participation by the Commonwealth if such projects meet the requirements for Commonwealth participation established by Subchapter 30 of KRS Chapter 154.

→ Section 2. KRS 65.7049 is amended to read as follows:

Any city or county may establish a development area pursuant to this section, KRS 65.7051, and 65.7053 to encourage investment and reinvestment in and development, use, and reuse of areas of the city or county under the following conditions:

- (1) The area shall be contiguous and shall be no more than three (3) square miles;
- (2) The establishment or expansion of the development area shall not cause the assessed value of taxable real property within all development areas and local development areas of the city or county establishing the development area to exceed twenty percent (20%) of the assessed value of all taxable real property within its jurisdiction. For the purpose of determining whether the twenty percent (20%) threshold has been met, the assessed value of taxable real property within all of the development areas and local development areas shall be valued as of the establishment date;
- (3) The governing body of the city or county shall determine that the development area either:
 - (a) Has two (2) or more of the following conditions:
 1. Substantial loss of residential, commercial, or industrial activity or use;
 2. Forty percent (40%) or more of the households are low-income

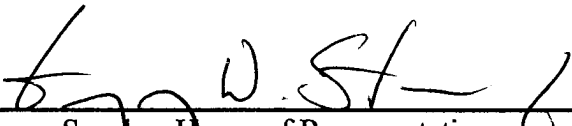
- 1 households;
- 2 3. More than fifty percent (50%) of residential, commercial, or industrial
- 3 structures are deteriorating or deteriorated;
- 4 4. Substantial abandonment of residential, commercial, or industrial
- 5 structures;
- 6 5. Substantial presence of environmentally contaminated land;
- 7 6. Inadequate public improvements or substantial deterioration in public
- 8 infrastructure; or
- 9 7. Any combination of factors that substantially impairs or arrests the
- 10 growth and economic development of the city or county; impedes the
- 11 provision of adequate housing; impedes the development of commercial
- 12 or industrial property; or adversely affects public health, safety, or
- 13 general welfare due to the development area's present condition and use;
- 14 or

15 (b) The project is a mixed-use development:

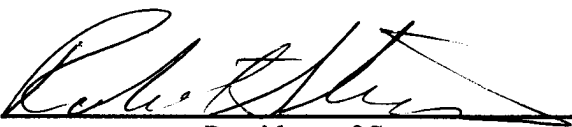
- 16 1. Located in a university research park;~~{or}~~
- 17 2. Located within three (3) miles of a military base that houses, deploys, or
- 18 employs any combination of at least twenty-five thousand (25,000)
- 19 military personnel, their families, military retirees, or civilian
- 20 employees; or~~{and}~~
- 21 3. The project is a mixed-use development which includes either or both
- 22 significant public storm water and sanitary sewer facilities designed to
- 23 comply with a community-wide court decree mandating corrective
- 24 action by the local government or an agency thereof; and

25 (4) The governing body of the city or county shall find that all of the following are true
 26 for projects meeting the requirements of paragraph (a) of subsection (3) of this
 27 section:

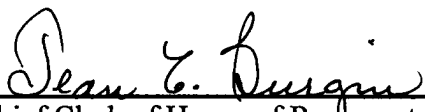
- 1 (a) That the development area is not reasonably expected to be developed without
2 public assistance. This finding shall be supported by specific reasons and
3 supporting facts, including a clear demonstration of the financial need for
4 public assistance; and
- 5 (b) That the public benefits of the development area justify the public costs
6 proposed. This finding shall be supported by specific data and figures
7 demonstrating that the projected benefits outweigh the anticipated costs and
8 shall take into account the positive and negative effects of investment in the
9 development on existing businesses and residents within the community as a
10 whole; and
- 11 (c) 1. That the area immediately surrounding the development area has not
12 been subject to growth and development through investment by private
13 enterprise; or
- 14 2. If the area immediately surrounding the development area has been
15 subject to growth and development through investment by private
16 enterprise, the identification of special circumstances within the
17 development area that would prevent its development without public
18 assistance.



Speaker-House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 3-22-13